CHINA

In response to a suggestion made to our Embassy in Peking by a Chinese political leader that we promise to aid a non-Communist successor government in China and thus bring about Chiang Kai-shek's resignation, we have informed the Embassy that any such promise would represent an intervention in Chinese internal affairs which we cannot undertake. The question of bringing about Chiang's resignation and of setting up a successor government is, in our opinion, a matter for Chinese decision and the US government could, under no circumstances, place itself in the position of dictating or suggesting the resignation of the head of a friendly government. Moreover, in the absence of legislative authority, our government could not commit itself to a future aid program in a hypothetical situation.

Netherlands

Our Embassy in The Hague states that it stresses an intention on the part of the Dutch to carry out forthwith their promises with respect to Indonesia as well as a desire on their part to do everything possible to allay the doubts aroused in American and world opinion. The Embassy believes that the representations made by the US, the UK and Canada and the sharp attacks upon the Dutch in American newspapers have shocked them into a new realization of the dangers of their international position. The Dutch Foreign Ministry has informed our Ambassador that it interprets the Dutch statement before the Security Council to mean that the Republican leaders will be released if they will refrain from subversive activity; the Foreign Office further stated that the Dutch will welcome political activities by these leaders if aimed at collaboration in the early establishment of an interim federal government for Indonesia.

FRANCE

Embassy London reports that the British do not agree with our view that the present political situation in Berlin rules out all possibility of resolving the currency and trade issues there. They believe that the recommendations of the committee of neutral experts deserve further consideration and Bevin considers it important that, once having taken the case to the UN, we should give that body a full opportunity to find a basis for settlement. It seems to the French at this stage that their approach is invalid and would give the Soviets a propaganda advantage. Our Charge has discussed with the British our view that the currency changeover in the western sectors should take place on January 10 but they have merely reiterated Bevin's previous statement that he could not agree to the currency changeover until it is clear that the experts had exhausted any possibility of finding a basis for settlement. They further stated that they will not be able to transmit to the committee of experts their reaction to its recommendations until around January 10.